

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID - UPDATED ADVANCED : **DOCKET NO. 5113**
METERING FUNCTIONALITY BUSINESS CASE :

IN RE: THE NARRAGANSETT ELECTRIC COMPANY : **DOCKET NO. 5114**
d/b/a NATIONAL GRID - GRID MODERNIZATION PLAN :

ORDER

In the Amended Settlement approved in Docket No. 4770 (In re: The Narragansett Electric Company d/b/a National Grid – Electric and Gas Distribution Rate Filing), National Grid committed to working with the Power Sector Transformation Working Group to develop a Grid Modernization Plan. The Company also committed to updating its advanced metering functionality (AMF) investment plan business case, with the latter expected in February 1, 2019 and the former expected within six months.¹ In its Order, the Public Utilities Commission (Commission) found that an AMF business case is integral to any Grid Modernization Plan (GMP), and therefore, the parties were encouraged to file the two as close together as possible.² Following approval of the Amended Settlement Agreement in August 2018, National Grid sought and was granted extensions of time for these filings.

On January 21, 2021, National Grid filed its proposed Grid Modernization Plan³ and Updated Advanced Metering Functionality Business Case.⁴ On March 15, 2021, the Commission posted an Open Meeting Notice to consider consolidating the two dockets on March 19, 2021. On March 17, 2021, the Division of Public Utilities and Carriers (Division) objected to the

¹ Docket No. 4770 Amended Settlement at 48-54; <http://www.ripuc.ri.gov/eventsactions/docket/4770-4780-NGrid-ComplianceFiling-Book%201%20through%207%20-%20August%2016.%202018.pdf>.

² Order No. 23823 (May 5, 2020); [http://www.ripuc.ri.gov/eventsactions/docket/4770-4780-NGrid-Ord23823%20\(5-5-20\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/4770-4780-NGrid-Ord23823%20(5-5-20).pdf).

³ Docket No. 5114; <http://www.ripuc.ri.gov/eventsactions/docket/5114page.html>.

⁴ Docket No. 5113; <http://www.ripuc.ri.gov/eventsactions/docket/5113page.html>.

consolidation and further moved to stay consideration of the GMP.⁵ On March 18, 2021, PPL Corp. and National Grid announced the sale of The Narragansett Electric Company to PPL. As a result of these events, at the March 19, 2021 Open Meeting, the Commission did not make any decision on consolidation or process. On March 26, 2021, National Grid filed a response and objection to the Division's March 17, 2021 filing.⁶

Considering the announced plans to sell The Narragansett Electric Company to PPL Corp., on May 27, 2021, Commission Counsel issued a memorandum to National Grid and the Division seeking further information so the Commission could determine whether these matters should be considered at this time or held in abeyance pending the outcome of the PPL acquisition.⁷ Specifically, Commission Counsel requested the parties⁸ to comment on the following:

- (1) Is it an accurate statement that the benefit/cost analysis (BCA) contained in the updated AMF business case is based at least in part, on synergies with National Grid's New York operations? If so, will the BCA be materially impacted by the acquisition of The Narragansett Electric Company by PPL?
- (2) Are the proposals and pathways in the Grid Modernization Plan based on the services of the National Grid USA Service Company? If so, are the proposals in the Grid Modernization Plan dependent, at least in part, on the functionalities National Grid currently has and intends to deploy? If so, would the proposals and pathways in the Grid Modernization Plan subject to change as a result of the acquisition of The Narragansett Electric Company PPL?
- (3) Even if the Commission considered the needs assessment related to metering, would the solutions and benefit cost analysis be dependent upon PPL's current and future functionalities?
- (4) If the acquisition of The Narragansett Electric Company would affect the underlying assumptions in the two filings, should the Commission proceed with the assessment of

⁵ Div. Objection; <http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-DPUC-Objection%20to%20Consolidate%203-17-21.pdf>.

⁶ National Grid Response and Objection to Division's Motion to Stay Docket No. 5114; [http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-NGrid%20Objection%20to%20Division%20Motion%20\(3-26-2021\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-NGrid%20Objection%20to%20Division%20Motion%20(3-26-2021).pdf).

⁷ Commission Counsel Mem. to Attorneys Hutchinson and Wold; [http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-PUC-Memo%20and%20Data%20Request%20\(5-27-21\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-PUC-Memo%20and%20Data%20Request%20(5-27-21).pdf).

⁸ No procedural schedule was set so the only parties to the docket are Petitioner National Grid and the Division, an indispensable party to Commission matters.

these dockets at this time or at a minimum, stay the matters pending the outcome of the Division's acquisition review process to reevaluate the filings? Please support your answer.

On June 3, 2021, the Division, through Counsel, filed a further Motion to Stay and Continued Opposition to Consolidation of the two dockets, incorporating its consultant's responses to the questions.⁹ Division consultant Gregory L. Booth, P.E., indicated that the BCA included in the AMF filing is predicated upon the National Grid Service Company providing services to The Narragansett Electric Company. He opined that the synergies associated with this arrangement would be lost and replaced with currently unknown operations, systems, equipment, billing, and other interfaces by PPL.¹⁰ Thus, Mr. Booth indicated that the BCA would most probably be materially impacted by the acquisition of The Narragansett Electric Company by PPL. Thus, he contended that virtually nothing within the filing could be relied upon for purposes of a BCA.¹¹ Addressing the GMP, Mr. Booth responded that the proposals and pathways in the GMP were based on services provided by the National Grid USA Service Company and further, that the proposals are dependent on the functionalities National Grid currently has and intends to deploy. Therefore, these proposals and pathways would be likely to change as a result of the acquisition.¹² Based on these responses, the Division recommended staying the two dockets until a final Order is issued by the Division in the pending matter to review the proposed acquisition (Division Docket D-21-09 - Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA,

⁹ Division's Further Motion to Stay, Continued Opposition to Consolidation, and Responses Commission's Data Requests Contained in the Commission's Memorandum Dated May 27, 2021; <http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-DIV%20Motion%20to%20Stay,%20Continued%20Opposition%20to%20Consolidation%20and%20Data%20Responses%20to%20PUC%20Data%20Requests.pdf>.

¹⁰ Further Motion at 4. The Commission notes that Mr. Booth has previously been qualified as an expert in numerous matters before the PUC including the Docket No. 4770 rate case and every Infrastructure, Safety, and Reliability filing made by National Grid's electric company.

¹¹ *Id.*

¹² *Id.* at 5.

and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC).¹³

On June 10, 2021, National Grid filed its responses to the questions presented. National Grid acknowledged that the BCA in the updated AMF business case was based on synergies with National Grid's affiliates in New York and that in the event of Division approval of the acquisition by PPL, those synergies would not be realized.¹⁴ The Company also agreed that the BCA in the GMP filing was based on National Grid USA Service Company supports, that the proposals are dependent, at least in part, on the functionalities and solution National Grid currently has and intends to deploy, and finally, that those proposals and pathways could change based on an acquisition of The Narragansett Electric Company by PPL.¹⁵ Additionally, National Grid indicated that in the event of an acquisition, the final metering solution and BCA will depend on PPL's preferred solution and assumptions.¹⁶ National Grid did not object to a stay of the dockets pending the outcome of the Division's review of the PPL acquisition of The Narragansett Electric Company.¹⁷

At an Open Meeting held on June 29, 2021, the Commission stayed these two matters pending further consideration following the issuance of a final Order in Docket No. D-21-09 but did not rule on whether or not to consolidate the matters. The data responses from both National Grid and the Division support a finding that the information contained in these two filings will be materially affected should the Division approve the acquisition of The Narragansett Electric Company. Therefore, it would be inefficient and a waste of resources to move forward with these

¹³ *Id.* at 6. The Division matter can be accessed at: http://www.ripuc.ri.gov/eventsactions/docket/D_21_09.html.

¹⁴ National Grid Response to PUC 1-1; [http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-NGrid-DR-PUC1\(6-10-21\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-NGrid-DR-PUC1(6-10-21).pdf).

¹⁵ National Grid Response to PUC 1-2.

¹⁶ National Grid Response to PUC 1-3.

¹⁷ National Grid Response to PUC 1-4.

two matters at this time. However, the Commission recognizes that grid modernization will be crucial to meeting the State of Rhode Island's clean energy goals and, therefore, will continue to review grid modernization investments that are included in upcoming filings. Additionally, the Commission will review the status of investments that were included in Docket No. 4770 to enable a modern grid to determine if there are any actions the Commission can take to avoid or mitigate stranded ratepayer costs.

Accordingly, it is hereby

(24089) ORDERED:

1. The Narragansett Electric Company, d/b/a National Grid's Updated Advanced Metering Functionality Business Case, Docket No. 5113, is hereby stayed.
2. The Narragansett Electric Company d/b/a National Grid's Grid Modernization Plan, Docket No. 5114, is hereby stayed.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING
DECISION ON JUNE 29, 2021. WRITTEN ORDER ISSUED JULY 14, 2021.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairperson



Abigail Anthony, Commissioner

*John C. Revens, Jr., Commissioner

*Commissioner Revens did not participate in the decision.

NOTICE OF RIGHT TO APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.